



Request for City Council Committee Action from the Department of Information Technology

Date: May 11, 2015
To: The Honorable John Quincy, Chair, Ways and Means Committee
Referral To: Full City Council
Subject: Appendio, Inc. (dba: CIP Reporting)
Recommendation: Authorize proper City officials to

- a) Execute a two (2) year contract for a total not-to-exceed amount of \$50,000
- b) Use Appendio's contract documents
- c) Customize the liability terms and conditions of the contract
- d) Ability to terminate contract for convenience after first year of term

Previous Directives: N/A

Department Information:

Prepared by: Mary Meyer, Contract Administrator, 612 673-3840
Submitted by: Otto Doll, Chief Information Officer
Approved by: Spencer Cronk, City Coordinator
Presenter(s) in Committee: Otto Doll, CIO 612-673-3633

Reviews	Approval	Date	Not Applicable
Permanent Review Committee (PRC):	<input type="checkbox"/>		<input checked="" type="checkbox"/>
Civil Rights Approval:	<input type="checkbox"/>		<input checked="" type="checkbox"/>
Policy Review Group (PRG):	<input type="checkbox"/>		<input checked="" type="checkbox"/>

Financial Impact

Yes. Public Works will be paying for this contract using the below funding string:

Year	Amount	Funding
Year one	\$12,000	00100 6500100 507000
Year two	\$9,000	00100 6500200 501401

Supporting Information

Public Works (PW) is looking to contract with a vendor to outsource their internal accident data collection and reporting. Information Technology (IT) department was engaged in the research of a vendor to provide the following services to the City:

- Vehicle Accident Reporting

- Mobile reporting
- Open layers for mobile mapping
- Adhoc analytics and dashboards
- Integrate driver history into new system

After cost analysis, technical review and extensive discussions with vendors, Appendio, Inc. (dba: CIP Reporting) was selected as the vendor that best meets the needs of PW. The City will pay the upfront costs of \$12,000 for year one and a monthly fee for year two. The contract can be terminated with a 30-day written notice after the first year.

Request for Approval

IT requests approval to authorize proper City officials to:

- a) Execute a two (2) year contract for a total not-to-exceed amount of \$50,000
- b) Use Appendio's contract documents
- c) Customize the liability terms and conditions of the contract. The City's IT Department has reviewed the request with the City Attorney's Office to customize the terms and conditions in the contract as follows:

Appendio, Inc. has proposed that both its and the City's liability, with two exceptions, be capped at the dollar amount paid by the City during each twelve month period measured prior to the date of the event or incident that triggered the claim. Generally, the dollar limitation will be approximately \$12,000 during the first year of the agreement and approximately \$9,000 in the second year.

Appendio's dollar cap on its liability has become a typical request by software suppliers. The software licensor's rationale is that it licenses its product to numerous users or licensees such as the City. If the software licensor had to include a minimum tort liability dollar amount that the City normally requires (1.5 million per occurrence or claim) into its cost structure, it would have to charge a license fee far in excess of the \$12,000 in its contract with the City.

It should be noted that Appendio's liability cap does not apply to any claims or lawsuits filed against the City arguing that the City's use of the software licensed from Appendio infringes upon any copyright, patent or trademark held by a third party such as another software supplier. The liability cap does not apply to any willful misconduct, negligence or omission by Appendio.

Similarly, the City's liability is unlimited should any of its data be found to infringe upon the intellectual property rights or privacy rights of a third party. Since the data and information that will be entered by the City in its use of the Appendio software application is data related to accidents or incidents involving City vehicles and property, there is virtually no chance that this information will be categorized as intellectual property and a very slim chance that the accident data will violate privacy rights.

- d) Ability to terminate contract for convenience after first year of term.